CHAPTER XVII.

LOCAL FUNDS.

The provision of what may be called the secondary necessities of the people was naturally not much attended to in the earlier days of our rule. With times of assured peace came the possibility of considering the less pressing wants of those who live in remote villages, and of beautifying and improving the smaller towns.

It is quite certain that our immediate predecessors in the Government of this part of India were as regardless of these matters as any Rulers could be, and consequently the remains of any public buildings, roads, bridges, wells or tanks of Mahratta origin are very few and far between. Their predecessors, the Mussulmans, have left many and striking memorials of their rule: yet even of them and their works so kind a critic as Sir Henry Lawrence wrote—

"Utter selfishness was the Moslem motive; the highroads, the serais, the plantations—were they for the people? Not at all, but for royal progresses. The expense of one Badshahi serai would have built a dozen for the people. Throughout the country it was the same. In the direction the King was likely to travel there would be roads and conveniences: but elsewhere the people might sigh in vain for paths, for water, or for shelter. The Nawabs of Oude and Kings of Jaunpore and the Deccan did the same. They beautified the neighbourhood of their own favourite residences, made roads to their country-seats, built bridges over the rivers in their way, sunk splendid wells, and planted lines of trees."

And he adds—"Some of our own Magistrates in the times of the good old close-borough system did the same: and to this day European convenience is more regarded than native wants, the Collector and Magistrate being often considered more sacred than the thousands of poor around him."

But there are records from the earliest times of Hindoo kings having spent money apparently for the good of their poorer subjects. Round the column at Delhi is an inscription stating that Piyadasi (Ashoka, who died B. C. 226) planted banyan trees for shade and mango trees for fruit, and dug wells along the road, and that previous

kings had conferred similar enjoyments on mankind,† and Ibn Batuta in the 14th century found the highways shaded by trees, with resting houses and wells at regular intervals, along a great part of the coast of Malabar; while in the same part of India, in an inscription believed to be of the 3rd century before Christ, there is an especial order by the king for digging wells and planting trees along the public highways.‡

"Local funds have existed in this presidency for the past twenty years. The resolution of Government which first sanctioned their establishment was passed in September 1863, and it was based upon the ascertained general agreement of all authorities on the following points:—

"I. That there should be local funds for the promotion of education in the rural districts and for the formation and repairs of local roads;

"II. That these funds should be, in part at least, provided by a local cess, imposed in addition to the local assessments where no pledge, express or implied, to the contrary has been given, and, where such a pledge has been given, deducted, if Government will permit, from the land assessment, or levied by a voluntary rate from the payers of land-tax;

"III. That the tax-payers should have an influential voice in the disposal of the funds."

"Concurring in these views, the Government of Sir Bartle Frere directed that the local funds should consist of the local cess on land, the rate for which they fixed at one anna for every rupee of assessment to the land-revenue, 'all toll and ferry funds not specially excepted, the surplus cattle-pound fund and such other items as Government may from time to time direct to be added.' They further resolved that 'as to the division of the cess between education and two-thirds to roads, to repairs of village wells and public buildings, planting of road-side trees and other objects of public utility.' And lastly with regard to the management and application of the funds, the Government said they believed 'success would depend on the degree of freedom allowed to the local managers of the fund.'"

† "Life in Ancient India," p. 245.

‡ Elphinstone.

"The system thus introduced was worked for some time without the aid of legislation, but eventually it was found necessary to legalize the levy of the local cess. This was done by Bombay Act VIII. of 1865 for Sind and by Bombay Act III. of 1869 for the rest of the presidency; and these two Acts have continued in force down to the present time.

"The latter Act, whilst making provision for the levy of the local fund one-anna cess, provided also for the constitution of local committees, who should be entrusted with the expenditure of the funds. The Sind Act did not expressly require the formation of such committees, but, as a matter of fact, the local funds of that province have been managed by committees established under the orders of Government, similar, so far as the circumstances of each district permitted, to the committees constituted in other parts of the presidency under Bombay Act III. of 1869.

"The administration of local funds under the above enactments and orders has been, upon the whole, highly successful. The time has, however, now come when, in harmony with the wishes and orders of the Governor General in Council as to the extension of local self-government throughout India, the law regulating the constitution and the powers and duties of the local committees has to be amended so as to secure to those bodies greater independence in administering the funds placed at their disposal for local purposes. It is for this purpose that the Bombay Local Boards' Bill has been drawn."—*Statement of Objects and Reasons, Bombay Local Boards' Bill.*

This bill is now before the Legislative Council of the Governor of Bombay, and will doubtless effect an important change in the constitution and powers of the bodies by whom the Local Funds are administered. Many if not most of the old orders on the subject will probably soon be obsolete, but as no new orders have yet taken their place it has been necessary to insert them.

This chapter will contain the general rules as to the source and management of the funds, while the special arrangements for tolls, ferries, vaccination, &c., will be found in the following chapters.

The following is a list of the funds which are now under the Local Fund Committee:—

Road Fund, consisting of two-thirds of the one-anna cess.

Educational Fund, consisting of one-third of the one-anna cess and other miscellaneous items.

Ferry Fund (Bombay Acts II. of 1868, and II. of 1878.)
Toll Fund (Act XV. of 1864, Bombay Act III. of 1875.)
Pound Fund (Act I. of 1871.)
Staging Bungalow Fund.

The special charges on account of each of the above headings are first met, and the surplus, if any, made over to the general fund.

The following items of land revenue, the rules as to which will be found in previous chapters, have been made over to the local funds:—

All fees on earth, sand-stones, and the like; but fees on mines of coal, iron, and valuable minerals are Imperial.—(*G. R. No.* 4440, *Aug.* 6, 1875.)

Sale proceeds of building-sites.

Contributions to public works made by private persons.

Other small items have also been made over to the local funds of different collectorates.

1. **The one-anna cess.**—The one-anna cess is to be levied on the gross revenue for collection, and no deductions are to be allowed on account of remissions.—*G. R. No.* 3079, *June* 26, 1871.

2. The assessment leviable under Sec. 33* of the Survey Act is liable to the one-anna cess, but not the excess which may be imposed as a fine.—*G. R. No.* 1007, *March* 1, 1871.

3. Persons subjected to the special assessment leviable under Sec. 39† of Bombay Act I. of 1865 are not liable to payment of the one-anna cess.

Payment of the cess is to be made one of the conditions on which the following items of revenue are sold or leased:—

Sale-proceeds of places where saltpetre is manufactured.

Sale-proceeds of the occupancy of assessed waste lands.

Fines for cultivating lands without permission. Sec. 39 (Bombay), Act I. of 1865.

Sale-proceeds of stones and earth from Government waste lands, the proceeds of the grass growing on which are credited to Government.—*G. R. No.* 2600, *June* 2, 1870.

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* Now Sec. 61, Revenue Code.

† This also is included in Sec. 61, Revenue Code, but refers to unoccupied assessed land, while order 2 referred to land set aside for special purposes.

4. The one-anna cess is also leviable on the following items of land revenue :—

(1) Sale-proceeds of grass in waste land.

(2) Sale-proceeds of grass and grazing in kurans, whether in charge of the Revenue or Forest Department, and whether farmed or not. But in the case of Imperial reserved forests these fees are not leviable.

(3) Ground-rent on lands sold as building-sites.

(4) Proceeds from sales of melon-beds by river-sides.

(5) Proceeds from sales of alluvial deposits on the banks of rivers let for purposes of cultivation from year to year.

(6) Assessment on Gairan land when used for purposes of cultivation.

(7) Proceeds from sale of mango-fruit in Bagsheri land.

(8) Sale-proceeds of fruit-trees on waste land.

(9) Rent of lands transferred to Railway Companies.—*G. R. No.* 3589, *Aug.* 25, 1869; *No.* 476, *Jan.* 28, 1873; *No.* 539, *Jan.* 31, 1874; *and No.* 2391, *April* 20, 1876; *and G. of I. No.* 656, *June* 10, 1873.

5. Leaseholders of villages and Sawasthâns held on political tenure are liable to the one-anna cess on the rent they pay to Government.—*G. R. No.* 3706, *June* 30, 1873, *and No.* 2728, *July* 6, 1869.

6. So long as the taking of water from any source of irrigation and payment for the same, is optional with the cultivator, the payment cannot be looked upon in the light of "ordinary land revenue," and should be exempted from payment of the one-anna cess. Where payment for water as a part of the land revenue, whether it be brought to account under the separate heads of water and dry-crop assessment or not, is compulsory, it is liable to the cess.—*G. R. No.* 1506, *March* 23, 1870.

7. 'Sayer revenue,' as used in Bombay Acts 8 of 1865 and 3 of 1869, means miscellaneous land revenue, and cesses on excise revenue are not allowable under these or any other Acts. Liquor farms are therefore not subject to the one-anna cess.—*G. R. No.* 1639, *April* 20, 1869, *and G. of I. No.* 617, *Jan.* 27, *and No.* 3169, *Sept.* 24, 1873.

8. Those village officers whose services have been retained for the use of the State (Patels, Kóolkurnees, and Mhars) are exempt from the one-anna local fund cess on their official holdings, both as

to the part held free and the part which pays joodee.—*G. R. No.* 3173, *Aug.* 3, 1869, *and No.* 4940, *Aug.* 30, 1876.

9. In the case of useless village officers who pay the joodee of As. 4 or As. 8, the one-anna local fund cess is to be imposed not on the joodee, but on the full Survey assessment of their lands.—*G. R. No.* 4258, *Oct.* 4, 1869.

10. The one-anna cess has still to be paid on account of land the assessment on which has been redeemed.—*G. R. No.* 6728, *Nov.* 21, 1876.

11. Sec. 6 of Act III. of 1869 is only intended to prevent any fresh imposition of the cess during the currency of the term of years for which a settlement made after the passing of the Act may be guaranteed.—*G. R. No.* 3364, *Aug.* 14, 1869.

12. Sand, stone, or other materials required for local fund purposes, or for any branch of Imperial public works, whether constructed departmentally or by contract, are exempt from payment of fees to local or provincial funds.—*G. of I. No.* 4914, *Aug.* 12, 1874.

13. Rules under Section 12, Local Funds Act.*

Public Works Section.

(1) The District Local Funds Committee shall consist of—

(1) The Collector, as President.

(2) The First Assistant Collector.

(3) Other Assistant and Deputy Collectors in permanent charge of talookas.

(4) The Executive Engineer, except as regards educational matters, when the Educational Inspector shall be substituted.

(5) The Hoozoor Deputy Collector.

(6) An Inamdar, or holder of an alienated village in the district, to be elected as provided in rule 29.

(7) Six proprietors or holders of land to be appointed by the Commissioner of the Division.

Any member of the District Local Funds Committee may be removed by Government.

(2) The Local fund revenues shall include the proceeds of the one-anna cess, authorized by Bombay Act III. of 1869, and such

* See the note after order 21 in this chapter as to the alterations made in these rules.

other funds as Government may make over to the Local Fund Committees.

(3) A third of the proceeds of the one-anna cess shall belong to the Educational Department for expenditure in the talooka in which it is levied, and the annual accounts of this portion of the cess shall be incorporated with the annual General Local Fund accounts of the district.

(4) The remaining two-thirds of the one-anna cess shall be expended on roads and communications, and works subordinate thereto, *i.e.*, on dhurrumsallas or rest-houses, on water-supply, on the plantation of avenues of trees, and on objects calculated to promote the public health.

(5) The Local Fund Budget rules sanctioned by Government shall be carefully attended to, and shall apply to the transactions of the Local Fund Department in both branches.

(6) The District Local Funds Committee shall ascertain and provide for the requirements of the district with respect to the works and undertakings alluded to in Sec. 4, Act III. of 1869.

(7) It shall also examine and decide upon the estimates and proposals for expenditure forwarded by the Talooka Committees, and shall regulate the expenditure of local funds, subject in all respects to the control and general supervision of the Commissioner, who may, in the exercise of such control, order any expenditure from the local funds on special objects for which no specific provision has been made in the budget, to be met by allotments from the reserve or by reappropriations.

(8) In case of any difference of opinion between the Talooka and District Committees, the decision shall in the first place rest with the President of the District Committee.

(9) The District Committee shall communicate with the District Committees in the adjacent collectorates to secure uniformity and connection of plan in laying out roads, &c.

(10) The President shall prepare a statement showing the net estimated receipts on account of local funds available to be budgeted against, and this, with the estimates and proposals of the Talooka Committees, shall be laid before the District Committee at a meeting to be convened by the President on or about September 1, at a place named by him, fifteen days' notice being given.

(11) The vote of the majority of members shall decide all questions at all meetings of the Committee, the President having a cast-

Local Fund Rules—*(contd.)*

ing vote, and the proceedings at this and every other meeting shall be drawn up at the time and signed by the presiding officer.

(12) The District Committee shall decide at the meeting provided for in Rule (10) what local works and repairs shall be undertaken, and shall cause a general list to be prepared showing the amount to be expended on each, subject to the revision provided by the Government Budget Rules.

(13) The Committee shall also settle what establishments shall be entertained for the superintendence and execution of works, and dispose of any other business which the President may lay before it.

(14) [Relates to budgets, as to which later rules are given further on.]

(15) Extracts from the budgets submitted by the Committee shall be forwarded for information to each Talooka Committee.

(16) The President shall convene a second meeting soon after the 31st July (fifteen days' notice being given), on which date the local funds accounts are closed in the office of the Accountant General, to examine the accounts.

(17) [Relating to supplementary budgets, now discontinued.]

(18) On receipt of the General Budget of Local Funds of the Presidency, the President shall circulate it to all the members of the District Committee for their information, and forward an extract to each Talooka Committee, showing what works, repairs, and establishments have been sanctioned for the district.

(19) For the despatch of current work of a general nature the District Committee will meet twice a year, about the 10th January and the 10th July. Questions arising in the interim shall be disposed of by the circulation of correspondence and minutes. The President, however, may call a special meeting at any time by issuing a notice of not less than fifteen days to the members.

(20) [Relates to contracts, now repealed.]

(21) No disbursements whatever shall be made from the local funds by way of remuneration to any persons employed on the Collector's, Commissioner's, Accountant General's, or any other Government establishment, without the sanction of Government previously obtained through the Commissioner, and no new appointment is to be made in any Government office at the expense of local funds except with the same previous sanction. The establish-

ments of overseers and other public works officers, or of schoolmasters and teachers, do not come under this rule.

(22) No permanent new appointments or situations of overseers, clerks, karkoons, &c., shall be created without the sanction of the Commissioner.

(23) [Relates to the appointment of Local Funds Engineers, now abolished.]

(24) All appointments, either under the District or Talooka Committees, shall be made by the District Committee, subject to the veto of the President. Where the President records his veto, the case shall be submitted, with reasons, for the final decision of the Commissioner.

(25) No servant of the Committee drawing more than 50 Rs. a month shall be dismissed without the consent of a majority of the Committee in meeting assembled. The President of the District Committee however may suspend any such servant of the Committee for misconduct or negligence, but the question of his dismissal shall be submitted to the District Committee with as little delay as possible. The President of the District Committee may also summarily discharge any servants drawing 50 Rs. and under a month.

(26) [Relates to pensions for Educational employés].

(27) Before the close of each quarter, the President of the District Committee shall prepare a statement showing the amount required for disbursement in the ensuing quarter, and shall obtain a credit order for that amount from the Commissioner.

(28) Every Mamlutdar shall visit at least once a quarter such works in progress in his talooka as may be entrusted for execution to the Talooka Committee, and make a direct report on them to the President of that Committee.

Election of Inámdárs to District Committee.

(29) The election of Inámdárs for the District Committee should be conducted as follows:—

The Collector, as President shall forward a notice to every Inámdár in the District (entered in the Government books as holder of an alienated village), or to his manager or agent, requiring him before a fixed date, which shall not be less than one month from the date of the notice, to elect an Inámdár of the District as a member of the District Local Fund Committee. The electors shall give their votes in writing to be delivered by post or otherwise to the Collector and President before the date fixed. The person who

Local Fund Rules—*(contd.)*

shall have received the most votes shall (unless any sufficient reason exists for excluding him) be declared elected and his name forwarded by the President for insertion in the *Government Gazette*. In the event of the electors being equally divided in favor of two or more nominees, the Collector may nominate one of such nominees and in the event of the Inámdárs not making a return by the time specified in the notice the President of the District Local Funds Committee may nominate.—*Gov. Notif. No.* 6.

(30) The President shall annually on September 1st after receiving the reports of the Talooka Committees provided for in Rule (39), compile a concise report of the general administration of the local funds of his district, and this report shall, after being discussed at a general meeting, be forwarded, through the Commissioner, to Government for publication in the *Government Gazette*. This report shall include a statement of the year's receipts and disbursements, and copies of it shall be printed in English and the vernacular, and distributed among the members of the District and Talooka Committee, a copy being furnished to each of the local vernacular newspapers. The report is to be transmitted through the Accountant General, who is to examine the items and send it on to Government.—(*G. R. No.* $\frac{7\ E}{225}$ *of* 1870.)

(31) There shall be a Táluka Committee for each táluka to assist the District Committee by advice, and supervising such works as may be entrusted to them. It shall consist of—

Táluka Committee.

1. The Assistant or Deputy Collector in charge of the táluka, President.
2. The Mámlutdár.
3. An Officer of the Public Works Department employed in the táluka of not lower grade than a First Grade Overseer. In Educational matters the Deputy Educational Inspector shall be substituted.
4. An Inámdár or holder of an alienated village in the táluka to be elected by the holders of alienated villages situated in the táluka in the manner provided for the election of an Inámdár member of the District Committee in rule XXIX.; the President of the Táluka Committee, being substituted for the President of the District Committee,

and notice of fifteen days for the táluka being substituted for a notice of one month provided for the larger area of the District.

5. Where an Inámdár or holder of an alienated village is not available, any person whom the electors may choose may be substituted.

6. Three or (where there are no Inámdárs or holders of alienated villages in the táluka) four proprietors or holders of land in the táluka nominated by the Collector, subject to the Commissioner's approval. Any member of a Táluka Committee may be removed by the Collector, subject to the approval of the Commissioner."

(32) The Talooka Committee shall ascertain the local works required in the talooka, and bring them to the notice of the District Committee, that they may be duly considered with reference to the total funds available for the district. The Talooka Committee shall also supervise the construction of such works as the District and Talooka Committees may arrange should be undertaken by the latter. But all local fund contracts must be executed in the name and with the approval of the President of the District Committee.

(33) The President of the Talooka Committee shall, before the 10th August, convene a meeting at some place in the talooka, ten days' notice being given; and the President of the District Committee shall furnish an estimate of the amount of the local funds derived from the talooka which can be budgeted against.

(34) The vote of the majority shall decide all questions, the President having a casting vote; and the proceedings at every Committee shall be signed by the presiding officer.

(35) The Committee shall decide on the requirements of the talooka, and a list of proposals, with rough estimates, shall be prepared by them and submitted to the District Committee by the President in the form prescribed, so that the talooka lists may be considered before the annual meeting mentioned in Rule (10).

(36) The President may cause the Taluka Committee to assemble at any time and place when occasion may require, by issuing ten days' notice to the members.

(37) The Talooka Committee, on receipt of the extract from the general budgets, will provide for the execution of such works in

Local Fund Rules—*(contd.)*

the talooka as shall be put under them by Rule (32), and shall decide whether the works shall be done departmentally or by contract. Any member of the Talooka Committee may inspect any of these works at any time, and forward his remarks to the President of the Talooka Committee.

(38) Correspondence between the District and Talooka Committees shall ordinarily be conducted through their Presidents. In such matters of executive detail as cannot be disposed of at the meetings of committees, the orders of the President shall be sufficient.

(39) A detailed report of the local fund administration of each talooka shall be annually submitted by the President of the Talooka Committee, to the District Committee, on a date to be fixed by the latter, explaining what has been done during the year, and suggesting what is required in future.

Educational Section.

(40) Not less than a full third of all cess collected under Sec. 6 of the Act shall be assigned to education, and shall be expended first in providing salary and pension for teachers of Primary Schools in the contributing villages, and in building and repairing Primary School-houses in them, and in the training for them of masters for Primary Schools; and secondly, when these are sufficiently provided for, in making such provision for secondary education as shall be suited to the wants of the cess-payers.

(41) The Educational Inspector shall be an *ex-officio* member of every District Committee in his division, and the Deputy or Assistant Deputy Inspector in charge of a sub-division an *ex-officio* member of every Talooka Committee in his sub-division.

(42) The Educational *ex-officio* member of each Talooka Committee shall prepare and discuss with that Committee objects of educational expenditure in the sub-division, and shall forward lists of such objects to the Educational Inspector according to his directions.

(43) The Educational Inspector shall discuss the lists received under the last rule with the several District Committees in his division, and shall arrange them for insertion in the Educational Budget, with careful regard to their respective emergency and to the claims of cess-payers in every part of his division.

(44) The Educational Budget of each district shall be drafted by the Educational Inspector, who shall lay it, with full explanations of his proposals, before the District Committee, by whom it shall be considered and amended or approved.

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(47) Any power exercised in regard to other local funds matter by the Commissioner shall be exercised as to educational matters by the Director of Public Instruction conjointly with the Commissioner. Any matter on which they differ shall be submitted to Government.

(48) The disbursement of current charges in the educational section shall be effected through the Educational Inspector. The execution of educational public works shall be effected through the District Committee by such agency as they may select.—*G. R. No.* 5749, *Dec.* 27, 1869; *No.* 2423, *Oct.* 10, 1870; *No.* 2638, *June* 2, 1871; *No.* 5812, *Nov.* 16, 1872; *Notif. March* 14, 1876, *and Notif. No.* 6521, *Dec.* 10, 1880.

14. **Powers and duties.**—Under Sec. 2 of Act III. of 1869 the Commissioners have a general power of control, and under this power they should, subject to revision by Government, make rules with regard to leave of absence, fines, &c. An appeal of course lies eventually to Government from the decision of the Commissioners.—*G. R. No.* 829, *Feb.* 12, 1870.

15. The Commissioner has power to control whatever is done by the Committee, and to issue his order accordingly. He may not only prevent Committees from taking a particular course, but may direct them what course to take, and, if they do not act in accordance with his direction, he may give orders on the subject, which are binding on the Committees, unless set aside by Government. If in the exercise of the power vested in him by the Local Funds Act the Commissioner should give directions which are objected to by the Committee, the Committee can appeal to Government, with whom the final decision will rest. Unless, however, they should think it necessary to make a reference or appeal, and to await the orders of Government, the Committee are by law bound to adhere to the instructions of the Commissioner, whether these are to omit, or to insert, any particular work or item of expenditure.—*G. R. No.* 341 *A*—538, *Dec.* 23, 1873.

16. The Collector has the same power of control as to contingent bills for local fund establishments as the Superintending Engineer in P. W. D. works.—*G. R. No.* 531-701, *Oct.* 3, 1876.

17. When the whole time of an officer is paid for by the State, the Government is at full liberty to employ him in his own sphere, upon the public service, in such manner as may be convenient; and such an officer is not entitled to separate or additional remuneration for any duty which he may be required to perform connected with a service the cost of which is borne by local funds.—*G. R. No.* 874, *Feb.* 17, 1877.

18. Budget Rules.

(1) All local rates, taxes, tolls, and other imposts forming part of the local funds revenue, shall be collected by the Civil revenue officers of Government, and deposited in the Government treasuries.

(2) The expenditure on establishment, &c., required for the collection of local funds revenue, shall be budgeted for as a charge to local funds. The previous sanction of Government in the Financial Department shall be obtained to such expenditure, in detail.

(3) The Local Funds Committee shall initiate all expenditure from local funds, and shall be responsible that the expenditure in any official year does not exceed the available means of the district in that year. The Committee shall also guard against local funds being concentrated on large, distant objects, to the neglect of more immediate local wants.

(4) To enable the Local Funds Committee to exercise a proper check upon expenditure, the Executive Engineer or other officer in charge of the construction of local funds works shall send to the President a monthly Progress Report of all expenditure, and also any additional information which the President, on examination of the Progress Reports, may think necessary.

The Executive Engineer will likewise furnish the Local Funds Committee with a General Annual Report at the close of the year.

(5) All public works in excess of Rs. 1,000, requiring Engineering skill, shall be undertaken by the P. W. Department, and Superintending and Executive Engineers shall superintend and construct such works with the same care that they bestow on

works from provincial funds. Expenditure of the class described below may, however, be incurred by the Local Fund Committees themselves :—

(*a*)—Original works and repairs, the cost of each of which shall not exceed Rs. 2,500, and which do not require professional skill, such as tank clearances ; exceptions to this rule may be made under sanction of Government at the request of Local officers.—*N.B.*—Small bridges and drains and culverts, and difficult nullah crossings, or repairs to metalled roads provided with bridges and drains, though costing less, shall, if requiring professional knowledge, be entrusted to the Public Works Department.

(*b*)—Roads the mileage cost of which shall not exceed Rs. 500.

(6) The work so excepted may be undertaken by the Local Funds Committee, under superintendence provided by themselves or with the aid, if applied for, of Overseers provided from the regular P. W. establishment, whose services shall in such cases be entirely at the disposal of the Committee, their pay and allowances being charged to Local Funds, and provided for in the Budget under Civil Agency.

If any such Overseer shall not give satisfaction to the Local Funds Committee, he shall, on their application, be changed.

(7) No Transfer of works from either Agency to the other shall be authorized, unless the President of Local Funds Committee and the Executive Engineer agree.

(8) The Executive Engineer shall, if required, furnish the Local Funds Committee with plans and estimates for the works to be undertaken by the Committee. He shall also line out all the roads to be constructed from local funds, without reference to their cost, assist the Committee with his advice, when called upon as to any of the works carried out by the Committee, and shall examine the construction of such works, and grant completion certificates for them.

(9) The Executive Engineer shall be ex-officio member of the Local Funds Committee, and its professional adviser. Although he is not debarred from suggesting to the Committee the execution of works of local importance, yet his chief duty shall be to elaborate and carry out the proposals which the Committee may initiate, the principle being borne in mind that the financial control of the Local Funds is vested solely in the Committee, while the regulation

Budget Rules—(*contd.*)

of the professional details of the public works, which the Committee determines to construct, rests with the Executive Engineer.

(10) The Executive Engineer shall nevertheless be guided by the directions of the Committee, as regards the scope and style of the work to be undertaken, and shall carry out any alterations in the project that the Committee may require to be made, except such as affect engineering details necessary for the stability of the projected work.

(11) When the Local Funds Committee contemplate undertaking a work, a requisition for the plan, and estimate, shall be made on, and furnished by, the Executive Engineer, who shall procure the countersignature of the Superintending Engineer prior to submitting them to the Committee. The Committee must then procure the sanction of competent authority, under these rules, to the project; and they will, in communication with the Executive Engineer, fix the time for the commencement of the work.

(12) The sanction to an estimate, by any authority, shall not convey permission for the expenditure of money on the work; a distinct appropriation of funds for its execution must be made according to the budget rules. The sanction of the estimate, and the provision for the expenditure, are two distinct processes, and both are necessary before a work can be commenced. But when contributions are received for local works to be commenced immediately, and after the budget has been sanctioned, they shall be considered as additions to the budget grant, and the sanction of Government shall be procured to the work being undertaken.

(13) No proposal for the execution of public works shall be definitely sanctioned, unless accompanied by designs and estimates; the mere entry of a work in a sanctioned budget is not authority for expenditure, it being made on the implied understanding that the estimates will be duly examined and sanctioned by competent authority before the work is commenced.

(14) The Local Funds Committee shall prepare annually a budget of the estimated receipts and disbursements, under all heads, in the year, in each taluka. The budget estimates shall be framed against the estimated receipts of the year *plus* the actual and estimated balances at the close of the year immediately preceding, and they shall be prepared in the forms prescribed.

(15) The budget estimate shall include, under original works, a provision for a reserve for unforeseen minor works (*i.e.*, works

below Rs. 2,000 each) which shall not exceed 10 per cent. of the total provision for original works. The reserve shall not be available for repairs, unless with the sanction of Government, nor shall it be increased by transfer to it of any unappropriated balance of local funds unless sanctioned by Government.

(16) The Local Funds Committees shall forward the annual budget estimates to the Commissioner, or the Director of Public Instruction, as the case may be, who shall examine and transmit them to the Accountant General, so as to reach him not later than the 15th October. The Accountant General shall verify the balances, and check the ordinary permanent charges, and shall be responsible that the balances are correct, and shall certify to that effect on each budget. If necessary, he shall correspond direct with the President of the Local Funds Committee to procure any correction, or explanation, of discrepancies, but as such correspondence will be productive of delay, he should, if practicable, make the corrections in accordance with the figures shown in his books, certifying to that effect. The Accountant General shall then submit the budgets to Government.

(17) On the budget estimate being sanctioned, the Local Funds Committee shall furnish the Executive Engineer with specific instructions as to the works to be undertaken, and he shall arrange for their construction accordingly.

(18) If the orders of Government on the local funds budget are not received before the commencement of the year, works in progress may be proceeded with to the extent of the amount provided for them, and within the amounts of their sanctioned estimates.

(19) The entire expenditure from local funds on public works sanctioned in the budget, under the Civil and Public Works Agency, respectively, shall be accounted for to the Controller of Public Works Accounts, in accordance with the regulations of the department, and under corresponding instructions which the Controller should furnish to the local officers.

(20) The local funds shall be debited with a share of the expenses of the public works establishment, at the rate of 15 per cent. on the amount actually expended in the year by the Executive Engineer. From this charge the following shall be exempted :—

(*a*)—Expenditure incurred by the Local Funds Committee under clauses (*a*) and (*b*), section 5.

Budget Rules—(*contd.*)

(*b*)—Contributions from ryots.

The percentage shall cover all superintendence supplied by the Public Works Department for local funds works.

[The remaining rules relating to powers are superseded by order No. 22.]—*G. R. No.* 390*A*-558, *Dec.* 23, 1874, *and No.* 531-701, *Oct.* 3, 1876.

19. With reference to rule (20) the 15 per cent. is levied on account of superintendence and establishment, not for the supply of plant, stores or material of any sort.—*G. R. No.* 146*A*-220, *April* 20, 1875.

20. With reference to rule 5 (*a*) it is incumbent on the Public Works Department to undertake all works requiring any professional skill. Government do not, however, desire, even if it were possible to do so, to draw a hard and fast line; when there is any doubt as regards a particular work or works, the local officers should settle the matter by mutual arrangement: a great deal will depend on the establishment maintained by the Local Funds Committees.

The settlement of the agency by which works are to be undertaken should be made when the budget is prepared by the Local Funds Committee, of which the Executive Engineer is a member: when once the budget has been sanctioned, no change of agency can be made without the permission of Government.—*G. R. No.* 183*A*-267, *May* 15, 1875.

21. **Budgets for seven years.**—The orders requiring local funds to be spent talookwar are cancelled: but not with the intention that any talooka should be deprived of its fair share of expenditure on public works. The object was to put an end to wasteful expenditure on large numbers of small works of doubtful necessity, for the supervision of which there is no sufficient establishment, while the general wants of the district as a whole are overlooked. For this purpose a system of five-year budgets is ordered.—*G. R. No.* 499 *A*—1503, *Nov.* 5, 1877.

[NOTE.—Previous to the issue of this order the principle that all the funds of a talooka should be spent in the talooka had been with some slight exceptions insisted on. The necessary amendments in the rules under Sec. 12 of the Act (order No. 13) have been made in accordance with this new order, but the old orders as to talooka budgets have been given.

22. With regard to the preparation of the budget for five years, the usual provision of 10 per cent. for "Unforeseen works" should be adhered to.

When the scheme of expenditure for the next five years has been sanctioned, instructions will be issued regarding the preparation of annual adjustment budgets, which will exhibit the progress and expenditure on each work contained in the programme.

No return to the old system will be permitted.—*G. R. No.* 34*A*-49, *Feb.* 5, 1878.

It has since been decided that the budgets should be cast for a period of seven years.—*G. R. No.* 4137, *July* 18, 1881.

23. **Powers of sanctioning works.**—Collectors and Presidents of Local Funds Committees may sanction—

(*a*) Estimates up to Rs. 1,000 for each work, or repair, to be undertaken by either Public Works or Civil Agency; Commissioners up to Rs. 10,000 for works; and estimates for repairs sanctioned in the budget without limit.

(*b*) Excesses up to 10 per cent. on each estimate sanctioned by themselves up to Rs. 1,000 in each case, inclusive of the excess. Commissioners up to Rs. 10,000.

(*c*) The acceptance of contracts up to Rs. 1,000 for each sanctioned work to be undertaken by Civil Agency, and up to Rs. 1,000 for repairs without reference to Agency. Commissioners up to Rs. 10,000 for Civil Agency works, and for repairs without limit except sanctioned budget grants, and without reference to Agency.

(*d*) Reappropriations, within taluka limits, from the sanctioned provision of works, or repairs, in the budget, to other sanctioned works, or repairs, in the same budget, irrespective of main heads, *except* (1) when such reappropriations will cause an excess of more than 10 per cent. on the sanctioned estimate of works, and (2) when the works, or repairs, are to cost more than Rs. 1,000 each. The Commissioners have the same power provided the works do not cost more than Rs. 10,000.

(*e*) Reappropriations, within taluka limits, from the sanctioned provision for unforeseen minor works (Part II. of the Budget) to new works below Rs. 1,000 each, not provided for in the budget.

(*f*) Reappropriations, within taluka limits, from the sanctioned provision for repairs in the budget, to repairs not provided for in

the budget up to a limit of Rs. 1,000 in each case; Commissioners without limit.

(*g*) Reappropriations, within taluka limits, of sums below Rs. 1,000 without reference to the total cost of the work, from, or to which, the reappropriation is made; but this power cannot be exercised more than once as regards the work from which the reappropriation is made, without the sanction of competent higher authority, which is also needed, if the reappropriation be from one main head of the budget to another.

(*h*) Appropriation to small repairs not provided for in Part III. of the Budget, up to Rs. 1,000 in the year. The limit from Educational Local Funds is up to Rs. 200 in the year.

The Commissioner in Sind, the Director of Public Instruction, and the Collector of Salt Revenue have the same powers as Commissioner.

The sanction of Government is required—

(*a*) *In the Financial Department*, to the details of the establishment charges for collection of Local Funds Revenue of every description.

(*b*) In the *Public Works Department*, to the transfer of funds from Public Works to Civil Agency, or *vice versa*, the provision for unforeseen minor works excepted.

(*c*) To the transfer of funds from one taluka to another.

(*d*) To estimates and contracts in excess of Rs. 10,000 each work. This does not apply to repairs which, as far as sanctioned in the budget, may be dealt with by the Commissioners, or officers holding an analogous position.

(*e*) To reappropriations from sanctioned budget provision, to new works or to surveys of new works not provided for in the budget, the provision for unforeseen minor works excepted.

(*f*) To excesses above 10 per cent. on the sanctioned estimate of works. This does not apply to repairs.

(*g*) To the addition to the sanctioned budget grant of the year, of contributions received after the budget has been passed.—*G. R. No.* 186*A*—218, *March* 21, 1876.

24. **Budget rules.**—Reappropriations which require the sanction of Government, will only be sanctioned when the plans and estimates have been sanctioned.—*G. R. No.* 183*A*—258, *June* 12, 1874.

25. **Discretionary allowance.**—Collectors are allowed a discretionary allowance of Rs. 1,000 to meet unforeseen demands for repairs.—*G. R. No.* 172*A*—203, *March* 14, 1876.

26. **Principles of expenditure.**—It is the fixed policy of Government that the local wants of the people should be attended to in the expenditure of the one-anna cess before projects for the general developement of the resources of the country, such as long roads, are taken in hand.—*G. R. No.* 5878, *Oct.* 14, 1876.

27. In many parts of the country the supply of drinking water is deplorably bad and insufficient; and the greatest boon that can be conferred on the people is to relieve their wants in this respect.

It would be a hopeless task to attempt all at once to do what is necessary in the case of the numerous and scattered agricultural villages throughout the Presidency. But little by little a good deal can be done to supply the necessities of those places most urgently in need of aid. Assistants and Deputies in charge of Talookas are requested to give their earnest and unremitting attention to this subject, and to notice prominently in their Annual General Reports the results of their exertions, and the sums of money that have been expended by grants-in-aid or otherwise in each talooka. In the opinion of Government projects for the improvement of water supply have a preferential claim on the attention of District and Talooka Local Fund Committees.—*G. R. May* 10, 1873.

28. No contributions from local funds are to be given to works executed with the object of increasing the land revenue.—*G. R. No.* 1802, *Apr.* 20, 1871.

29. The purchase of bulls to improve the breed of cattle is quite a legitimate object on which to expend local funds, but all such animals should be placed in charge of villages which will guarantee that they are taken care of by the village herdsmen, and not allowed to wander loose to pick up a living as they can. At first one only should be bought by way of experiment, and the practice be extended only if it answers.—*G. R. No.* 2387, *April* 20, 1876.

One-half of the charge of the maintenance of all Government stallions stationed in any district in the Northern or Central Divisions should be defrayed from Local Funds.—*G. R. No.* 612, *Jan.* 28, 1882.

Government would be glad to see measures adopted by the various District Local Fund Committees in view to the improve-

ment of the breed of cattle including buffaloes, and consider that the desired end can best be attained by the purchase and location at suitable places of bulls of the best varieties procurable. In the Konkan, where horned cattle do not as a rule thrive, such a step is perhaps not expedient, but in Gujarát and the Deccan the experiment might be made with reasonable prospects of ultimate success.

2.—It will be for the Local Fund Committees to take such action as may appear expedient, and as the condition of their funds will admit of. The measure would at first be of an experimental nature, and therefore a large outlay at starting would not be judicious, but a beginning might be made by purchasing for each district in which the experiment is to be tried four bulls and two buffalo-bulls. Bulls at the head-quarters station should be under the supervision of the Huzur Deputy Collector. Bulls located elsewhere should be placed in the charge of the Mámlutdárs. No fee should be charged for the use of the bulls, and every effort should be made to induce the cultivators to avail themselves of the services of these animals.

3.—The superior bulls needed could probably best be obtained from Káthiáwár, and the Political Agent should be requested to give all the assistance in his power to Collectors desiring to purchase bulls in Káthiáwár on behalf of Local Fund Committees.—*G. R. No.* 2482, *April* 15, 1882.

30. Public Works Officers and subordinates must endeavour to ascertain the views and to consult the wishes of the District and Talooka Committees, and to afford them ready and cordial aid in respect of all works of improvement which may be desirable.

It must be borne in mind that the local funds money is the property of those by whom it has been contributed, that of those persons the Committees are the representatives, and that it is therefore the right and duty of the Committees to watch over expenditure, and without interference in professional details to see that it is properly administered. The Committees, with whom rests the initiation of local works, and the Civil officers must also give ready and cordial aid to the Public Works officers, and must remember that they are not expected to supervise the details of works of which the execution has been entrusted to the P. W. D.—*G. R. No.* 2074, *April* 7, 1873.

31. **Talooka Committees.**—Meetings of the Taluka Local Fund Committees should be held at least twice a year at the

Mamlutdars' head-quarter town, presided over by the Collector or Assistant in charge of the taluka, and a statement be laid before them of the works sanctioned and the progress made in each. Their proceedings should be recorded, and any remarks or suggestions they may have to offer forwarded to the District Committee. The non-official members should be encouraged to look to the construction of particular works, and bring to the notice of the Assistant anything they consider would be an improvement in the method of carrying them on, as well as the conduct of the Overseer or Contractor engaged upon them. It is not intended to interfere with the District President's entire control over the finance of the department, but all orders and references on the subject of expenditure in the several talookas should pass through the Assistants in charge of them, and the latter should be made to see they are responsible for the proper administration of the details of the department, and thus be led to take an intelligent interest in the material improvement of their charges. An Assistant Collector may call additional meetings of the Taluka Committees should urgent occasion arise.—*G. R. No.* 5772, *Nov.* 8, 1872, *and No.* 5440, *Oct.* 23, 1878.

32. **Talooka Committees.**—Individual members of the Committees might be told off to the supervision of works in their own immediate neighbourhood. Government attaches the greatest importance to the assistance they will be able to give, and is convinced that the work of petty but indispensable local improvement will never be thoroughly carried out unless the leading members of native society themselves take an interest in it.—*G. R. No.* 4350, *Aug.* 31, 1872.

33. Members of the Talooka Committees cannot be expected to undertake executive duties, but they can procure much useful information, and materially aid the Assistant Collector if the latter will encourage them to speak out their views. They form too when properly worked a useful check on Contractors or Local Fund Overseers, &c., who are in charge of works.

It is a mistake to consider that the Committees should not undertake the inspection of works because no works are directly carried out by them; they should, when they can, inspect works to satisfy themselves that they are properly carried out, that good materials are used, &c. &c.—*G. R. No.* 5553, *Oct.* 7, 1873.

34. **Surplus Local Funds.**—Surplus Local Funds may be invested in Government securities provided that no demands upon the general revenues for advances exist; but money is not to be hoarded, and no investment of local funds surplus balances should be made without the authority of Government in each instance.—*G. of I. No.* 723, *Sept.* 1873, *and G. R. No.* 6205, *Nov.* 11, 1873, *and No.* 346, *Jan.* 22, 1874.

35. Government will not sanction any loan from Local Funds to Municipal works.—*G. R. No.* 264, *Dec.* 22, 1869.

36. The Commissioners are authorized to sanction the appropriation of lands for roads, whether Provincial or Local Funds or for any public work, when no compensation has to be paid by Government for the lands taken up, and when the assessment on land appropriated does not exceed Rs. 5 per annum, half-yearly returns being furnished showing the number of sanctions given, the area and assessment of the land in each instance, and the purpose for which it is appropriated.

The Commissioners should be careful, when sanctioning appropriations of land paying assessment, under the power given them, to assure themselves that the sacrifice is unavoidable, and that the object is of sufficient public importance to justify the loss of revenue which the transfer of the land will occasion.—*G. R. No.* 6884, *Oct.* 4, 1882; *No.* 8558, *Dec.* 6, 1882; *and No.* 3621, *May* 12, 1883.

37. **Transfer of buildings.**—When a building has been constructed from local funds, the imperial revenues should ordinarily pay for it if it is taken for imperial purposes.—*G. of I. No.* 3005, *Nov.* 15, 1871.

38. **Correspondence.**—The correspondence of Local Fund Schools cannot be carried on "On Her Majesty's Service."—*G. R. No.* 1625, *May* 10, 1881.

39. Correspondence sent by a Local Fund officer, or by any Government officer, acting in a capacity connected with a Local Fund, such as President or Secretary of a Local Fund Committee, is not official correspondence, and may not be superscribed as on Her Majesty's Service.

Service stamps may not be sold to Local Fund officers or to Government officers in capacities connected with Local Funds; and

the frank of such officers will not be recognized in support of service stamps.

But nothing in this rule shall be held to prevent the transmission on Her Majesty's Service of correspondence sent by a Government officer acting as such, even though the correspondence may relate to the affairs of a local fund. For instance, the Commissioner of a division writing *in that capacity* to a Local Fund officer concerning local fund affairs, may superscribe the letter on Her Majesty's Service.

The term local fund as used in this rule is intended to include municipalities and other similar bodies or institutions.

This rule will come into effect from 1st April 1880.—*G. of I. Notif. No.* 3995, *Nov.* 22, 1879.

40. Paragraph 1 of the orders of the Government of India published in their Notification No. 3995, dated November 22nd, 1879, distinctly includes the case of an *ex-officio* President or *vice* President of a Local Fund or Municipal Committee, who must therefore use non-official labels for correspondence connected with the affairs of those bodies. Supervision in this respect need not be accompanied by any extra trouble.—*G. R. No.* 1363, *April* 20, 1880.

41. Correspondence under official labels must in accordance with the rules published in Government of India Notification No. 3995, November 22, 1879, be confined to Government officers, acting as such, whether with respect to Local Fund matters or not. Inspecting Officers who are paid out of Provincial Revenues are entitled under paragraph 3 of the rules to use service labels in corresponding on matters connected with Local Funds; whilst to officers who are maintained entirely out of Local Funds this privilege does not extend, and provision for the cost of postage must be made in the budget on the above consideration.—*G. R. No.* 1410, *April* 23, 1880.

42. The correspondence of the Vaccination Department should be treated as subject to the rules laid down in the Government of India's Notification of 22nd November 1879.—*G. R. No.* 2349, *July* 5, 1880, *Finl. Dept.*

43. Private stamps to be used for Local Fund correspondence.—*G. R. No.* 2909, *Aug.* 12, 1880, *Finl. Dept.*

44. The Government of India having ruled that correspondence with certain exceptions sent by a Local Fund Officer is not official correspondence within the meaning of the present official rules, it

should be treated as private correspondence.—*G. R. No.* 3008, *April* 20, 1880, *Finl. Dept.*

45. Postage labels for Local Fund correspondence should be issued from the Huzur Treasury to the officers concerned according to their requisitions, and should be impressed before issue with the letter "L," stamps for the letter being specially prepared. Similar labels for correspondence connected with Municipal affairs should be purchased from funds provided by the municipalities and issued impressed with the letter "M."—*G. R. No.* 3173, *Sept.* 3, 1880, *Finl. Dept.*

46. With reference to the Government of India's Notification No. 3995, dated 22nd November 1879, and Government Resolution No. 1410, dated 23rd April 1880, there is no distinction between a Commissioner of a Division and Collector writing in their respective capacities on Local Fund affairs, and it is only in the case of a President not being a Government official, (which is never the case) or a Secretary to a Local Fund who is always not a Government servant, that service stamps should not be used, or in the case of any other members of the Local Fund, as Accountants or Overseers, &c., who are purely Local Fund officials.—*G. R. No.* 3250, *Sept.* 9, 1880.

47. Assistant and Deputy Collectors, Mamlatdars and Executive Engineers are exempted with Collectors from the prohibition to use service stamps in connection with Local Fund and Municipal correspondence.—*G. R. No.* 4307, *Dec.* 7, 1880.

48. It has been ruled in Government Resolution No. 1410, of April 23rd, 1880, that correspondence under official labels must, in accordance with the rules contained in Government of India's Notification No. 3995, dated November 22nd, 1879, be confined to Government officers acting as such. It was not intended to lay down a rule in Resolution No. 3250 of September 9th, that the correspondence of a Collector is official, whether he writes as Collector or as President of a Local Fund Committee. Government officers who correspond sometimes as such and sometimes as functionaries of a Local Fund must decide in which capacity they are writing in each case and distinguish between those letters which may be superscribed as on Her Majesty's Service and those which may not.—*G. R. No.* 4434, *Dec.* 14, 1880.

49. A distinction must be made between correspondence on Local Fund matters sent under the signature of a Government

officer in his capacity as such and between that sent under his signature as a functionary of the Local Fund. It is only for the former that service postage stamps can be used.

The Deputy Collector in charge of the Local Fund Accounts and corresponding as such on behalf of the President, Local Fund Committee, is not a Government officer acting in his capacity as such, and non-service postage stamps should therefore be used for the transmission of all such correspondence by him.—*G. R. No.* 3338, *Sept.* 1, 1882.

50. Under the rules contained in Government of India's Financial Notification, No. 3995, dated November 22nd, 1879, a Collector or an Educational Inspector, in any case in which he acts in his capacity of Collector or Educational Inspector, and subscribes himself as such will use service postage stamps. But in any case in which he acts as President or a member of a Local Fund Committee, he will use private postage stamps. No practical difficulty need be felt in deciding in what instances service postage and ordinary postage labels should be used by public servants in their *ex-officio* capacity of Local Fund officers.—*G. of I. No.* 3836, *Sept.* 20, 1882.

51. A Mamlatdar conducting Local Fund correspondence in the capacity and under the signature of "Mamlatdar" (*i.e.*, as administrative head of the taluka and not as a Local Fund official) is entitled to use service stamps.—*G. R. No.* 4413, *Nov.* 18, 1882.